

LSP Life Sciences Fund

LSP
CONNECTING INVESTORS TO INVENTORS

Monthly Report December 2015

NAV per Share

€ 211.92

Performance

YTD	1 Month	3 Months	1 Year	2 Years	3 Years
15.0%	-0.3%	5.1%	15.0%	58.2%	103.6%

NAV of Fund 94,948,507

Number of Shares 448,036

Valuation Date 31/12/2015

Top-5 performers

1. Relypsa	25.9%
2. Galapagos	20.2%
3. Circassia Pharmaceuticals	17.2%
4. Ablynx	12.8%
5. PTC Therapeutics	7.9%

Inception date: 27/04/2011

Currency: Euro

Domicile: The Netherlands

Legal Structure: Dutch NV with variable capital

Listing: Euronext Amsterdam

Euronext code: LSP

ISIN Code: NL0009756394

Bloomberg: LSP NA

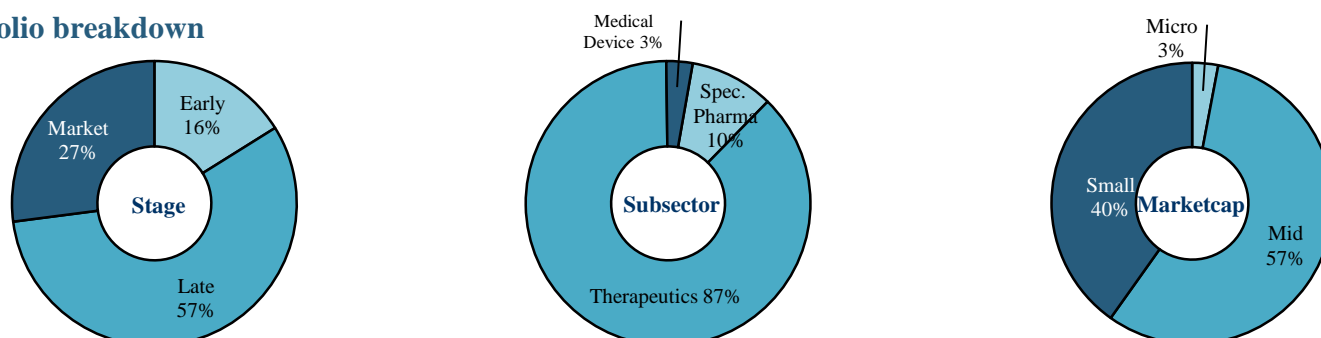
Investment strategy

The Fund's primary investment objective is to achieve capital appreciation by investing in a diversified, yet concentrated portfolio of publicly listed life sciences companies (including biopharmaceutical-, specialist pharmaceutical-, medical device-, drug delivery-, vaccine- and diagnostic companies). The majority of the Fund's portfolio will consist of European companies listed on one of the (main) European stock exchanges, with a market capitalization of below € 1 billion at the time of investment.

Manager's comments

In the month of December, the fund extended its rebound of November from its low in October, driven by additional gains in the fund's largest positions. In particular, both Relypsa and Galapagos gained during the month. Galapagos had some very significant positive news to announce. Following Abbvie's decision back in September to return all rights to Galapagos' rheumatoid arthritis drug Filgotinib (a drug part of the so called "JAK inhibitor drug class"), the company struck an impressive new deal on the same drug with a new partner. This partner is one of the world's largest and most successful biotech companies, e.g. US based Gilead, a leader in HIV and Hepatitis C. Through the deal with Galapagos, Gilead will now gain access to a highly promising inflammatory drug, an area it wishes to enter into aggressively. The deal is significant by all measures, exemplified by an upfront licence payment of USD 300 million plus a USD 425 million equity investment in return for a 15% stake in Galapagos. Future milestone payments could add an additional USD 1.4 billion to the deal. Once it closes the transaction projected in early 2016, Galapagos will have a cash balance of roughly USD 1 billion on its balance sheet. All other companies in the portfolio have performed well during the month, with only one company underperforming. Just prior to year end, Chimerix, a company targeting the development of anti-viral drugs, announced disappointing clinical results for its main anti-viral drug targeting CMV infections in patients who had to undergo a stem cell transplant. The company traded significantly lower as a result. Nevertheless and in spite of very high volatility in the second half of the year, the fund made a net return for the year of 15%. Volatility is expected to remain high in the beginning of next year.

Portfolio breakdown



Important information

LSP Advisory B.V. (as Fund Manager) and the LSP Life Sciences Fund N.V. (the Fund) have a license and are registered pursuant to the Dutch Act on Financial Supervision and are supervised by the Stichting Autoriteit Financiële Markten (Dutch Authority for the Financial Markets) and De Nederlandsche Bank N.V. (the Dutch Central Bank). This presentation is solely for information purposes and is not intended as advice in any way. The Fund Manager and the Fund cannot be held liable or responsible for the content of this presentation. Potential investors are advised to contact their investment- and fiscal advisor prior to taking an investment decision. There are risks involved in the investment. The value of the investment can fluctuate. Results achieved in the past offer no guarantee for the future. A Key Investor Information Document is also available for this product with information about the product, the costs and the risks involved. Read it before you invest in the product. The prospectus and the Key Investor Information Document of the LSP Life Sciences Fund can be downloaded via www.lspvc.com/funds/public.html

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Portfolio breakdown

Company	Stage	Subsector	Marketcap	%
Cempra	Late	Therapeutics	Mid	10.7%
Galapagos	Late	Therapeutics	Mid	10.2%
Circassia Pharmaceuticals	Late	Therapeutics	Mid	8.0%
Ablynx	Early	Therapeutics	Small	7.7%
Morphosys	Late	Therapeutics	Mid	6.6%
Evotec	Late	Therapeutics	Small	6.6%
uniQure	Market	Therapeutics	Small	5.5%
Relypsa	Market	Therapeutics	Mid	5.1%
Egalet	Market	Specialty Pharma	Small	4.4%
Clinigen Group	Market	Specialty Pharma	Mid	4.2%
Neurocrine Biosciences	Late	Therapeutics	Mid	3.8%
Ascendis Pharma	Early	Therapeutics	Small	3.8%
Forward Pharma	Late	Therapeutics	Small	3.8%
ProQR Therapeutics	Early	Therapeutics	Small	2.9%
PTC Therapeutics	Market	Therapeutics	Mid	2.4%
Sphere Medical	Market	Medical Device	Micro	1.6%
Chimerix	Late	Therapeutics	Small	1.3%
Lombard Medical	Market	Medical Device	Micro	1.0%